

JANICE K. BREWER  
Governor



SANDY FABRITZ-WHITNEY  
Director

**ARIZONA DEPARTMENT of WATER RESOURCES**  
3550 North Central Avenue, Second Floor  
Phoenix, Arizona 85012-2105  
602.771.8500  
azwater.gov

**EXTENSION OF AN ANALYSIS OF ASSURED WATER SUPPLY**

Extension Date: August 30, 2013  
Original Effective Date: May 23, 2005

COPY

**File Number:** 42-402022.0002

**Development:** Festival Ranch

**Location:** Township 4 North, Range 4 West, Sections 4, 8, 9, 10, 13-17, 20-22  
Township 5 North, Range 4 West, Sections 3, 10, 15, 22, 27, 28, 33, 34

**Analysis Holder:** BM3 Holdings LLC, an Arizona limited liability company  
BM3 North Holdings LLC, an Arizona limited liability company

On May 23, 2005, the Arizona Department of Water Resources (Department) issued Analysis of Assured Water Supply No. 28-402022.0000 (Analysis) to Festival Ranch, for 11,733.37 acre-feet per year of groundwater for 100 years. The term of the Analysis was ten years from May 23, 2005, the date of issuance. On August 27, 2013, the new owners of the Analysis lands, BM3 Holdings LLC, and BM3 North Holdings LLC, both Arizona limited liability companies, applied for an extension of the Analysis term. A copy of the original Analysis is attached.

Pursuant to A.A.C. R12-15-703(H)(1), the Department has reviewed the application for extension and has determined that the Analysis holder has made a substantial capital investment in developing the land included in this analysis. The applicants estimate that approximately \$1.3 million has been spent on permitting activities, engineering costs, environmental studies, surveying and field consultation, and other expenses, as documented in materials submitted with the application.

Pursuant to A.A.C. R12-15-703(H)(2), the Department has reviewed the application for extension and has determined that the Analysis holder has made a substantial material progress in developing the land included in this analysis. On January 6, 2009, Certificate of Assured water Supply DWR No. 27-700527.0000 was issued for 434 lots within Festival Ranch. This constitutes proof of material progress in developing the land.

The term of the Analysis is hereby extended for an additional five years and will expire on May 23, 2020. This term may be extended for additional five-year periods as provided in A.A.C. R12-15-703(H) and (I). Throughout the term of the Analysis, the estimated water demand of this development that will be met with groundwater be considered when reviewing other requests for physical availability determinations and determinations of assured water supply in the area. The volume of groundwater remaining available for purposes of future applications for Certificates of Assured Water Supply as of the date of this letter is 11,335.49 acre-feet per year. See A.A.C. R12-15-703(F)(2). All other conditions of the original Analysis continue to apply.

Prior to obtaining plat approval by the local platting authority and approval of the public report by the Department of Real Estate, a Certificate of Assured Water Supply must be obtained for each subdivision plat. The findings of the Analysis may be used to demonstrate that certain requirements for a Certificate of Assured Water Supply have been met. This determination may be invalidated if the development plan or other conditions considered at the time the Analysis was originally issued change prior to filing for a Certificate of Assured Water Supply.

Questions regarding this letter may be addressed to the Office of Assured and Adequate Water Supply at (602)771-8599.



Andrew J. Craddock, Manager  
Recharge, Assured & Adequate Water Supply Programs

AJC/rbo

COPY

Attachment: copy of Original Analysis of Assured Water Supply

Cc: via electronic mail:  
Annie Stewart, Fennemore Craig PC

# ARIZONA DEPARTMENT OF WATER RESOURCES

## NOTICE OF RIGHT TO APPEAL AGENCY ACTION

### **I. Right to Request Hearing**

You have the right to request a hearing on the agency action described in the enclosed document. To request a hearing, you must file a notice of appeal with the Docket Supervisor, Arizona Department of Water Resources, 3550 North Central Avenue, Phoenix, Arizona 85012 within thirty (30) days from the date of your receipt of the enclosed document. A Notice of Appeal form is enclosed. Pursuant to A.R.S. § 41-1092.03(B), the grounds for appeal by a party who will be adversely affected by the agency action and who exercised a right provided by law to comment on the action is limited to the issues raised in the party's comments.

If you file a timely notice of appeal, a hearing will be scheduled and you will be given written notice of the time and place for the hearing at least thirty (30) days before the hearing date. The date scheduled for the hearing may be advanced or delayed on the agreement of the Department and the parties to the action or on a showing of good cause. **If no party files a notice of appeal within thirty days from the date of receipt of the enclosed letter, the agency action described in the letter will become final and will not be subject to judicial review.**

### **II. Right to Request Informal Settlement Conference**

If you file a timely notice of appeal as described above, you will have the right to request an informal settlement conference. A request for an informal settlement conference must be in writing and must be filed with the Docket Supervisor, Arizona Department of Water Resources, 3550 North Central Avenue, Phoenix, Arizona 85012 not later than twenty (20) days before the hearing date. The enclosed Notice of Appeal form includes a place for you to request an informal settlement conference. If you file a timely request for an informal settlement conference, the Department will give you written notice of the time and place for the settlement conference. An informal settlement conference must be held within fifteen (15) days after the request is filed.

If an informal settlement conference is held, a person with the authority to act on behalf of the Department will represent the Department at the conference. The parties participating in the settlement conference will waive their right to object to the participation of the Department's representative in the final administrative decision. Statements, either written or oral, made by the appellant at the conference, including a written document, created or expressed solely for the purpose of settlement negotiations, are inadmissible in any subsequent administrative hearing.

### **III. Agency Contact Person**

If you have any questions regarding the appeals process, or the process for requesting an informal settlement conference, please contact the Docket Supervisor at (602) 771-8472.



ARIZONA DEPARTMENT OF WATER RESOURCES  
OFFICE OF ASSURED AND ADEQUATE WATER SUPPLY  
3550 NORTH CENTRAL AVENUE, 2<sup>nd</sup> FLOOR  
PHOENIX, ARIZONA 85012  
(602) 771-8599 Fax: (602) 771-8689

DATE RECEIVED:

AUG 27 2013

OFFICE OF ASSURED WATER SUPPLY

42-402022.0002  
Festival Ranch

**EXTENSION OF AN ANALYSIS OF ASSURED WATER SUPPLY APPLICATION**  
**PART A - GENERAL INFORMATION**

1. Has an Analysis of Assured Water Supply (Analysis) previously been issued for this property? ☒ Yes ☐ No. If "no," this may not be the appropriate application form. Please contact the Office of Assured and Adequate Water Supply for assistance.

Name of Analysis: Festival Ranch

Analysis DWR No. 28-402022.0000 (copy attached)

Date Issued: May 23, 2005

2. Please check one or more of the following as appropriate:

- ☒ The holder of the Analysis has made substantial capital investment in developing the land included in the analysis.  
☒ The holder of the Analysis has made material progress in developing the land included in the analysis.  
☒ Progress in developing the land included in the analysis has been delayed for reasons outside the control of the analysis holder.

Please attach an explanation of the statement(s) checked above and reference as an attachment: **Attachment 1**

Please attach appropriate documentation of the statement(s) checked above and reference as an attachment.

Attachment: **Attachment 2**

3. Contact person for questions regarding this application:

Name: Maggie Gallogly

Company: Fennemore Craig, PC

E-Mail: mgallogly@fclaw.com

Address: 2394 E. Camelback Road, Suite 600, Phoenix, AZ 85016 Phone: 602.916.5468 Fax: 602.916.5668

4. Owner(s) of the property or Developer (if applicable) (attach additional sheets, if necessary):

Owner: BM3 Holdings LLC, an Arizona limited liability company Phone: 949.573.6250 Fax: 949.387.3330

Address: c/o Jeri Ni, 14 Hexam, Irvine, CA 92603-3456 E-mail: igobyjeri@gmail.com

Owner: BM3 North Holdings, LLC, an Arizona limited liability company Phone: 949.573.6250 Fax: 949.387.3330

Address: c/o Jeri Ni, 14 Hexam, Irvine, CA 92603-3456 E-mail: igobyjeri@gmail.com

Owner: \_\_\_\_\_ E-mail: \_\_\_\_\_

Address: \_\_\_\_\_ Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Developer (if applicable): \_\_\_\_\_ Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Address: \_\_\_\_\_ E-mail: \_\_\_\_\_

**NOTE:** Please attach proof of ownership in the form of a title report, condition of title report, limited search title report, or recorded deed, dated within 90 days of the date this application is submitted to the Department. If the buyers will participate in the application process, provide evidence of a purchase agreement. If the property is being developed by someone other than the owner, such as a developer, written consent of the owner must be provided in addition to proof of ownership. **Attachment 3**



**FEES:**

The initial fee for an Extension of an Analysis of Assured Water Supply Application is \$1,000. Total fees for this application are based upon an hourly billable rate, which can be found on the ADWR website @ [www.azwater.gov](http://www.azwater.gov). If the costs of reviewing your application exceed \$1,000, you will be invoiced for the difference, up to a maximum total fee of \$10,000. Payment may be made by cash, check, or credit card (if you wish to pay by credit card, please contact the Office of Assured and Adequate Water Supply at 602-771-8599). Checks should be made payable to the Arizona Department of Water Resources. In addition to the hourly application fee, the applicant must pay any review-related costs associated with the application and the actual cost of mailing or publishing any legal notice of the application or any notice of a pre-decision administrative hearing on the application. Review-related costs are: (1) costs associated with a pre-decision hearing on the application, such as court reporter services and facility rentals for the hearing, and (2) mileage expenses for a site visit conducted before issuing a decision on the application. **Failure to enclose the initial application fee will cause the application to be returned. Fees for an extension of an Analysis of Assured Water Supply Application are authorized by A.R.S. § 45-113 and A.A.C. R12-15-103.**

**INITIAL FEE DUE:**

**\$1,000.00**

I DO HEREBY certify that the information contained in this application and all information accompanying it is true and correct to the best of my knowledge and belief. **NOTE:** All owners must sign (attach additional sheets, if necessary). **NOTE:** You may use the Department's Letter of Authorization for Signature form to give another person the authority to sign this application on your behalf, or you may submit a letter signed by you and dated within 90 days of the date this application is submitted, authorizing your representative to submit applications for permits regarding the land to be included in this Analysis.

See Attached Signature Page

Please print the name and title of the owner or the owner's authorized agent (if signator is someone other than the owner)

See Attached Signature Page

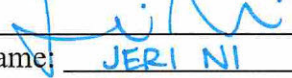
Signature of Owner or Owner's Authorized Agent

Date

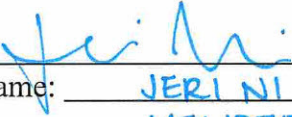
SIGNATURE PAGE  
EXTENSION OF AN ANALYSIS OF ASSURED WATER SUPPLY APPLICATION  
NO. 28-402022.0000

**OWNERS:**

BM3 Holdings LLC, an Arizona limited liability company

By:   
Printed Name: JERI NI  
Its: MEMBER  
Date: AUGUST 19, 2013

BM3 North Holdings LLC, an Arizona limited liability company

By:   
Printed Name: JERI NI  
Its: MEMBER  
Date: AUGUST 19, 2013



Promenade Corporate Center  
16435 N. Scottsdale Rd., Suite 405  
Scottsdale, Arizona 85254  
480.222.1116  
Facsimile 480.222.1117  
www.thomastitle.com

Order No. 136567

SPECIAL TITLE REPORT  
SCHEDULE A

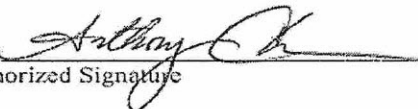
1. Effective Date: July 15, 2013 at 5:00 P.M.
2. This is a limited title report only. This report does not represent nor commit any type of title insurance. Our liability is limited to the amount of the fees paid for this report. The matters reported are limited to those identified on Schedule B attached hereto and made a part hereof.

This report is furnished to and for the sole benefit of:

Jeri Ni  
14 Hexam  
Irvine, CA 92603

3. This report may not be provided to, or relied upon, by other persons or entities without our prior written consent.
4. The estate or interest in the land described or referred to in this report and covered herein is Fee Simple
5. Title to the estate or interest in said land is at the effective date vested in:  
  
BM3 HOLDINGS LLC, an Arizona limited liability company, as to Parcel No. 1;  
BM3 NORTH HOLDINGS LLC, an Arizona limited liability company, as to Parcel No. 2
6. The land referred to in this report is in the State of Arizona, County of Maricopa, and is described on Exhibit "A" attached hereto and made a part hereof.

THOMAS TITLE AND ESCROW LLC

By   
Authorized Signature



SPECIAL REPORT  
EXHIBIT "A"  
LEGAL DESCRIPTION

PARCEL NO. 1:

That part of Sections 33 and 34, Township 5 North, Range 4 West, along with portions of Sections 4, 8, 9, 10, 15, 16, 17, 20, 21 and 22, Township 4 North, Range 4 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Beginning at the Northeast corner of Section 34, Township 5 North, Range 4 West;

Thence S00°17'01"W 2,642.69 feet, along the East line of the Northeast quarter of said Section 34, to the East quarter corner thereof;

Thence S00°21'10"W 2,644.30 feet, along the East line of the Southeast quarter of said Section 34, to the Southeast corner thereof;

Thence N89°33'24"W 2,643.64 feet, along the South line of said Southeast quarter, to the South quarter corner thereof;

Thence N89°33'48"W 1,592.52 feet, along the South line of the Southwest quarter of said Section 34, to the North quarter corner of Section 4, Township 4 North, Range 4 West, of the Gila and Salt River Meridian;

Thence S00°26'22"W 4,676.62 feet, along the North-South mid-Section line of said Section 4, to the South quarter corner thereof, a point common with the North quarter corner of Section 9;

Thence S89°37'58"E 2,636.32 feet, along the North line of the Northeast quarter of said Section 9, to the Northeast corner thereof, a point common with the Northwest corner of Section 10;

Thence S89°40'41"E 667.74 feet, along the North line of the Northwest quarter of said Section 10, to a point on the centerline of the Mead-Eastwing Transmission Line, as recorded in Document No. 93-411440, records of Maricopa County;

Thence S17°45'03"E 6,353.16 feet, along said centerline, to a point;

Thence, continuing along said centerline, S17°47'36"E 4,767.31 feet, to a point on the South line of the Southeast quarter of Section 15;

Thence S89°35'43"E 1,146.08 feet, along the South line of the Southeast quarter of said Section 15, to the Southeast corner thereof, a point common with the Northeast corner of Section 22;

Thence S00°22'48"W 176.18 feet, along the East line of the Northeast quarter of said Section 22, to a point on the North line of the Central Arizona Project, according to "Survey of Tracts 37, 38 and 39", Township 4 North, Range 4 West, of the Gila and Salt River Meridian, Arizona, dated March 3, 1986, and "Corrective Dependent Resurvey and Corrective Metes and Bounds Survey", Township 4 North, Range 4 West, of the Gila and Salt River Meridian, Arizona, dated January 17, 1989, in the files of the United States Department of the Interior, Bureau of Land Management;

Thence, leaving said East line of the Northeast quarter of said Section 22, S57°11'54"W 1,059.32 feet, along said North line of the Central Arizona Project, to a point;

Thence, continuing along said North line of the Central Arizona Project, the following fifteen (15) courses and distances;

Thence N79°37'14"W 1,611.78 feet, to a point;

Thence N31°07'16"W 559.77 feet, to a point on the North line of the Northwest quarter of said Section 22;

Thence N89°35'44"W 703.10 feet, along said North line of the Northwest quarter, to a point;

Thence, leaving said North line of the Northwest quarter, S32°27'23"W 814.89 feet, to a point;

Thence N40°11'51"W 909.68 feet, to a point on said North line of the Northwest quarter;

Thence N89°35'44"W 781.97 feet, along said North line of the Northwest quarter, to the Northwest corner thereof;

Thence S26°14'50"W 761.16 feet, to a point;

Thence N47°13'21"W 1,016.91 feet, to a point on the North line of the Northeast quarter of Section 21;

Thence N89°34'45"W 854.77 feet, along said North line of the Northeast quarter, to a point;

Thence, leaving said North line of the Northeast quarter, S15°43'11"W 1,127.28 feet, to a point;

Thence N73°54'43"W 1,616.47 feet, to a point;

Thence N81°47'59"W 1,497.44 feet, to a point on the East line of the Northeast quarter of Section 20;

Thence S00°21'10"W 1,777.76 feet, along said East line of the Northeast quarter, to a point;

Thence, leaving said East line of the Northeast quarter, S44°32'33"W 2,597.26 feet, to a point;

Thence, N59°25'04"W 958.83 feet, to a point on the North-South mid-Section line of said Section 20;

Thence, leaving said North line of the Central Arizona Project, N00°24'28"E 3,607.79 feet, along said North-South mid-Section line, to the North quarter corner thereof, a point common with the South quarter corner of Section 17;

Thence N00°24'04"E 5,282.08 feet, along the North-South mid-Section line of said Section 17, to the North quarter corner thereof, a point common with the South quarter corner of Section 8;

Thence N89°30'45"W 2,630.83 feet, along the South line of the Southwest quarter of said Section 8, to the Southwest corner thereof;

Thence N00°22'32"E 2,642.66 feet, along the West line of said Southwest quarter, to the West quarter corner thereof;

Thence S89°30'05"E 2,632.94 feet, along the North line of said Southwest quarter, to the Center of Section thereof;

Thence S00°25'17"W 2,642.15 feet, along the East line of said Southwest quarter, to the South quarter corner thereof;

Thence S89°30'45"E 2,630.83 feet, along the South line of the Southeast quarter of said Section 8, to the Southeast corner thereof, a point common with the Southwest corner of Section 9;

Thence N00°25'59"E 2,640.96 feet, along the West line of the Southwest quarter of said Section 9, to the West quarter corner thereof;

Thence N00°28'44"E 2,640.18 feet, along the West line of the Northwest quarter of said Section 9, to the Northwest corner thereof, a point common with the Southwest corner of Section 4;

Thence N00°30'20"E 2,641.88 feet, along the West line of the Southwest quarter of said Section 4, to the West quarter corner thereof;

Thence N00°28'25"E 2,038.75 feet, along the West line of the Northwest quarter of said Section 4, to the Northwest corner thereof, and a point on the South line of the Southeast quarter of Section 33, Township 5 North, Range 4 West;

Thence N89°22'04"W 1,065.93 feet, along said South line of the Southeast quarter of said Section 33, to the South quarter corner thereof;

Thence N00°20'39"E 660.49 feet, along the north-South mid-Section line of said Section 33, to the Northwest corner of the Southwest quarter of the Southwest quarter of the Southeast quarter thereof;



Thence S89°36'58"E 660.70 feet, along the North line of said Southwest quarter of the Southwest quarter of the Southeast quarter, to the Northeast corner thereof;

Thence N00°20'53"E 990.79 feet, along the West line of the East half of the West half of said Southeast quarter, to the Southeast corner of the North half of the Southwest quarter of the Northwest quarter of the Southeast quarter of said Section 33;

Thence N89°37'17"W 660.77 feet, along the South line of said north half of the Southwest quarter of the Northwest quarter of the Southeast quarter, to the Southwest corner thereof, and a point on said North-South mid-Section line of Section 33;

Thence N00°20'39"E 3,633.30 feet, along said North-South mid-Section line, to the North quarter corner thereof, a point common with the South quarter corner of Section 28;

Thence S89°34'36"E 2,642.86 feet, along the North line of the Northeast quarter of said Section 33, to the Northeast quarter corner thereof, a point common with the Northwest corner of Section 34;

Thence S89°36'53"E 2,641.33 feet, along the North line of the Northwest quarter of said Section 34, to the North quarter corner thereof, a point common with the South quarter corner of Section 27;

Thence S89°31'59"E 2,643.82 feet, along the North line of the Northeast quarter of said Section 34, to the Northeast corner thereof, a point common with the Southeast corner of Section 27 and the Point of Beginning.

#### PARCEL NO. 2:

That part of Sections 3, 10, 15, 22, 27, 28 of Township 5 North, Range 4 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Beginning at the Northeast corner of Section 3, Township 5 North, Range 4 West;

Thence S00°30'58"W 2,637.59 feet, along the East line of the Northeast quarter of said Section 3, to the East quarter corner thereof;

Thence S00°35'27"W 2,640.73 feet, along the East line of the Southeast quarter of said Section 3, to the Southeast corner thereof, a point common with the Northeast corner of Section 10;

Thence S00°21'23"W 2,639.60 feet, along the East line of the Northeast quarter of said Section 10, to the East quarter corner thereof;

Thence S00°19'39"W 2,640.65 feet, along the East line of the Southeast quarter of said Section 10, to the Southeast corner thereof, a point common with the Northeast corner of Section 15;

Thence S00°25'41"W 2,639.69 feet, along the East line of the Northeast quarter of said Section 15, to the East quarter corner thereof;

Thence S00°27'59"W 2,638.63 feet, along the East line of the Southeast quarter of said Section 15, to the Southeast corner thereof;

Thence S00°20'00"W 2,640.13 feet, along the East line of the Northeast quarter of said Section 22, to the East quarter corner thereof;

Thence S00°20'11"W 2,642.22 feet, along the East line of the Southeast quarter of said Section 22, to the Southeast corner thereof, a point common with the Northeast corner of Section 27;

Thence S00°24'59"W 2,640.19 feet, along the East line of the Northeast quarter of said Section 27, to the East quarter corner thereof;

Thence S00°24'33"W 2,639.94 feet, along the East line of the Southeast quarter of said Section 27, to the Southeast corner thereof, a point common with the Northeast corner of Section 34;

Thence N89°31'59"W 2,643.82 feet, along the South line of the Southeast quarter of said Section 27, to the South quarter corner thereof, a point common with the North quarter corner of Section 34;

Thence N89°36'53"W 2,641.33 feet, along the South line of the Southwest quarter of said Section 27, to the Southwest corner thereof, a point common with the Northwest corner of Section 34; the Southeast corner of Section 28, and the Northeast corner of Section 33;

Thence N89°34'36"W 2,642.86 feet, along the South line of the Southeast quarter of said Section 28, to the South quarter corner thereof, a point common with the North quarter corner of Section 33;

Thence N00°22'45"E 5,284.42 feet, along the north-South mid-Section line of said Section 28, to the North quarter corner thereof;

Thence S89°32'20"E 2,641.49 feet, along the North line of the Northeast quarter of said Section 28, to the Northeast corner thereof, a point common with the Southwest corner of Section 22;

Thence N00°26'25"E 2,643.74 feet, along the West line of the Southwest quarter of said Section 22, to the West quarter corner thereof;

Thence N00°28'09"E 2,642.39 feet, along the West line of the Northwest quarter of said Section 22, to the Northwest corner thereof;

Thence S89°31'45"E 2,639.84 feet, along the North line of said Northwest quarter, to the North quarter corner thereof, a point common with the South quarter corner of Section 15;

Thence N00°23'01"E 5,282.17 feet, along the North-South mid-Section line of said Section 15, to the North quarter corner thereof, a point common with the South quarter corner of Section 10;

Thence N00°22'13"E 1,319.92 feet, along the North-South mid-Section line of said Section 10, to the Northwest corner of the Southwest quarter of the Southeast quarter thereof;

Thence S89°24'29"E 1,322.01 feet, along the North line of said Southwest quarter of the Southeast quarter, to the Northeast corner thereof;

Thence N00°21'53"E 1,319.92 feet, along the West line of the Northeast quarter of the Southeast quarter, to the Northwest corner thereof;

Thence N00°23'41"E 1,320.20 feet, along the West line of the Southeast quarter of the Northeast quarter, to the Northwest corner thereof;

Thence N89°25'25"W 1,322.44 feet, along the South line of the Northwest quarter of the Northeast quarter, to the Southwest corner thereof, and a point on said North-South mid-Section line of Section 10;

Thence N00°22'13"E 1,320.60 feet, along said North-South mid-Section line, to the North quarter corner thereof, a point common with the South quarter corner of Section 3;

Thence N00°34'36"E 5,273.09 feet, along the North-South mid-Section line of said Section 3, to the North quarter corner thereof;

Thence S89°30'55"E 2,639.84 feet, along the North line of the Northeast quarter of said Section 3, to the Point of Beginning.



# **BACKGROUND INFORMATION**

# FENNEMORE CRAIG, P.C.

2394 East Camelback Road, Suite 600  
Phoenix, Arizona 85016-3429  
(602) 916-5000

**Annie M. Stewart**

Paralegal  
Direct Phone: (602) 916-5714  
Direct Fax: (602) 916-5914  
astewart@fclaw.com

**Law Offices**

Denver	(303) 291-3200
Las Vegas	(702) 692-8000
Nogales	(520) 281-3480
Phoenix	(602) 916-5000
Reno	(775) 788-2200
Tucson	(520) 879-6800

August 23, 2013

Mr. Andrew Craddock  
Office of Assured and Adequate Water Supply  
Arizona Department of Water Resources  
3550 North Central Avenue, 2nd Floor  
Phoenix, AZ 85012

Re: Extension of an Analysis of Assured Water Supply Application: Festival  
Ranch, DWR No. 28-402022.0000

Dear Mr. Craddock:

Enclosed is an Extension Application as referenced above, together with all attachments,  
and a check in the amount of \$1,000.00 for the initial fee.

The Extension Application is being submitted by BM3 Holdings LLC, an Arizona limited  
liability company, and BM3 North Holdings LLC, an Arizona limited liability company, the  
current owners of land included in Analysis of Assured Water Supply No. 28-402022.0000.  
Consistent with R12-15-703(H), we are requesting that the Department of Water Resources  
extend the term of this Analysis for five (5) years.

If you have any questions or need additional information, please contact me. Thank you

Sincerely,

FENNEMORE CRAIG, P.C.



Annie M. Stewart

Enclosures

cc: Jeri Ni (w/enc)  
Jay Kramer (w/o enc via email)

8365919.1/S.0066

ARIZONA DEPARTMENT OF WATER RESOURCES  
Office of Assured and Adequate Water Supply  
2<sup>nd</sup> Floor, 3550 N. Central Ave., Phoenix, AZ 85012  
Telephone (602) 771-8585  
Fax (602) 771-8689



JANET NAPOLITANO  
Governor

HERB GUENTHER  
Director

COPY

December 20, 2006

**ANALYSIS OF ASSURED WATER SUPPLY**  
**AS AMENDED BY CONSENT ORDER**

Effective Date: May 23, 2005

**File Number:** 28-402022.0000  
**Development:** Festival Ranch  
**Location:** Township 4 North, Range 4 West, Sections 4, 8, 9, 10, 13, 14, 15, 16, 17, 20, 21  
& 22, and Township 5 North, Range 4 West, Sections 3, 10, 15, 22, 27, 28, 33  
and 34  
Maricopa County, Arizona  
Phoenix AMA  
**Land Owner:** 10,000 West L.L.C.

The Arizona Department of Water Resources has evaluated the Analysis of Assured Water Supply application for Festival Ranch pursuant to A.A.C. R12-15-712. The proposed development includes 10,500 single-family residential lots and 2,998.3 non-residential acres containing commercial, school, hospital, recreation, golf courses, common area, undevelopable areas, landscaped open space areas and rights-of-way. The water provider will be Town of Buckeye. Conclusions of the review are indicated below based on the assured water supply criteria referenced in A.R.S. § 45-576 and A.A.C. R12-15-701 *et seq.*

- **Physical, Continuous, and Legal Availability of Water for 100 Years**  
On the basis of the hydrologic study submitted and the Department's review, the Department has determined that 12,100 acre-feet per year of groundwater will be physically and continuously available, which exceeds the Department's projected demands for the development of 11,733.37 acre-feet per year. The legal availability of the water is not proven at this time. The development is not located within the current service area of the Town of Buckeye. Applications for Certificates of Assured Water Supply that follow the Analysis of Assured Water Supply will need to provide a detailed plan of how water service will be established. This may include use of Type 1 or Type 2 water rights or recovery of long term storage credits to create a new or satellite service area, or extension of existing service area lines to include the proposed development. Individual Notices of Intent to Serve will be required for each application for a Certificate of Assured Water Supply.
- **Adequate Water Quality**  
Adequate water quality has not been demonstrated. The Town of Buckeye operates two separate community water systems. The most recent compliance report from Maricopa County Environmental Services for the nearer of the two systems to the proposed master



plan area indicates that the Town of Buckeye is in compliance with water quality standards. However, as stated above, the proposed development is not located within the existing service area. This requirement of an Analysis of Assured Water Supply will be reevaluated for each application for a Certificate of Assured Water Supply.

- **Consistency with Management Plan for the Phoenix Active Management Area**  
The projected demand for the development is consistent with the Third Management Plan for the Phoenix AMA. Festival Ranch will use low water use landscaping and plumbing fixtures will comply with the statewide Low Flow Plumbing Code.
- **Consistency with Management Goal of the Phoenix Active Management Area**  
The Assured and Adequate Water Supply Rules (A.A.C. § R12-15-705) allocate a volume of groundwater to each new subdivision in an AMA to allow for the phasing in of renewable supplies. This groundwater allowance may be increased by extinguishing irrigation grandfathered groundwater rights (IGFR). Any groundwater delivery in excess of the groundwater allowance must be met through the direct or indirect use of renewable water supplies (surface water or effluent). Options for demonstrating "consistency with management goal" include: 1) direct use of surface water or effluent; 2) recharge and recovery of surface water or effluent; or 3) membership in the Central Arizona Groundwater Replenishment District (CAGRDR).

The application indicates that the proposed development will enroll the lands of the entire development, including the commercial, golf course, recreational, schools, open space and other non-residential areas in the CAGRDR to meet this requirement. The membership documents must be executed and recorded before a Certificate of Assured Water Supply will be issued.


Prior to preparing an application for a Certificate of Assured Water Supply for an individual subdivision plat, the Phoenix AMA Office or the Office of Assured Water Supply may be contacted for further guidance.

- **Financial Capability of the Owner to Construct the Necessary Distribution System**  
Pursuant to A.A.C. R12-15-707, financial capability will be evaluated by the local platting authority as a part of the process for obtaining a Certificate of Assured Water Supply for each subdivision. The application for a Certificate of Assured Water Supply includes a Verification of Construction Assurance for a Proposed Subdivision form. This form should be signed by the appropriate platting entity to provide evidence of financial capability. This requirement of an assured water supply will be evaluated upon application for a Certificate of Assured Water Supply.

The term of this Analysis of Assured Water Supply is ten years from the Effective Date of this letter and may be renewed upon request, subject to approval by the Department. Throughout the term of this determination, the projected demand of this development will be considered when reviewing other requests for assured water supply in the area.

**Prior to obtaining plat approval by the local platting authority and approval of the public report by the Department of Real Estate, a Certificate of Assured Water Supply must be obtained for each subdivision plat. The findings of this Analysis of Assured Water Supply may be used to demonstrate that certain requirements for a Certificate have been met. This determination may be invalidated if the development plan or other conditions change prior to filing for a Certificate of Assured Water Supply.**

Questions may be directed to the Office of Assured Water Supply at (602) 417-2465.



Sandra Fabritz-Whitney, Assistant Director  
Water Management Division

cc: Woodrow Scoutten, Town of Buckeye  
Mark Frank, Phoenix Active Management Area  
Nicole Swindle, Legal Division

**STATE OF ARIZONA  
DEPARTMENT OF WATER RESOURCES  
CERTIFICATE OF ASSURED WATER SUPPLY**

This is to certify that

**10,000 West, LLC, an Arizona Limited Liability Company, as owner with Lyle Anderson Development Company, Inc., a Delaware corporation, as buyer**

have met the requirements of A.R.S. §§ 45-576 and the applicable regulations, and

By powers vested in the Director of the Arizona Department of Water Resources by the State of Arizona, and subject to the conditions contained in the applicable regulations,

Are issued this Certificate of Assured Water Supply for

**Festival Phase 1A**

**Township 4 North, Range 4 West, Section 15, Township 4 North, Range 4 West, Section 16,  
Township 4 North, Range 4 West, Section 21, Township 4 North, Range 4 West, Section 22  
GSRB&M Maricopa County, PHOENIX Active Management Area**


Sufficient water of adequate quality will be continuously available to satisfy the water demand of the referenced subdivision for at least one hundred years. The referenced subdivision consists of **434 lots** as described in the preliminary plat on file with the Department, and has an estimated water demand of **397.88 acre-feet per year**. The subdivision will be served groundwater by the **Town of Buckeye**.

This Certificate is invalid as to any entity not named above.  
This Certificate may be assigned pursuant to A.A.C. R12-15-705.

**Certificate Number: 27-709527.0000**



**ARIZONA DEPARTMENT OF WATER RESOURCES**

  
Assistant Director

1/16/2009  
Date

TYPE A CERTIFICATE

**Attachment 2**

Extension of an Analysis of Assured Water Supply Application No. 28-402022.0000

Material Progress - 10,000 West AAWS (No. 28-402022.0000)				
Date	Description	Category	Contractor	Estimated Cost
1/1/2013	Attorney Fee: WUS Jurisdiction Letter	Legal Fees & Misc. Consultants	Fennemore Craig	\$ 3,400.00
1/1/2013	Attorney Fee: Water TD	Legal Fees & Misc. Consultants	Fennemore Craig	\$ 400.00
1/1/2013	Attorney Fee: Water TD	Legal Fees & Misc. Consultants	Fennemore Craig	\$ 1,000.00
3/26/2012	Establishment of Turner Parkway Alignment	Planning, Engineering & Architectural Design	Hilgart Wilson, LLC	\$ 3,800.00
2/1/2012	AZGWD Enrollment 2012 (FR Phase 1A)	Assured Water Costs		\$ 4,056.80
7/29/2011	WUS Hydrology Study	404, water, and wastewater permit activities	Cardno WRG	\$ 6,000.00
2/1/2011	AZGWD Enrollment 2011 (FR Phase 1A)	Assured Water Costs		\$ 3,042.60
9/13/2010	Revision to ALTA/ACSM Land Title Survey	Planning, Engineering & Architectural Design	Cardno WRG	\$ 11,200.00
1/11/2008	Installation and Testing for Festival Ranch Well No. 1	404, water, and wastewater permit activities	Brown and Caldwell	\$ 650,000.00
12/5/2007	PUP C Lotting Plans	Zoning and Platting Costs	Greey/Pickett	\$ 55,000.00
10/12/2007	Earth Calc Cut Fill Map	Field Engineering	EarthCalc Inc.	\$ 35,000.00
10/8/2007	PUP C Grading Studies	Field Engineering	Greey/Pickett	\$ 75,000.00
8/31/2007	Master Wastewater Study	404, water, and wastewater permit activities	WRG Design Inc.	\$ 35,000.00
8/31/2007	Master Water Study	404, water, and wastewater permit activities	WRG Design Inc.	\$ 35,000.00
8/16/2007	Planning Unit C Drainage Plan & Update to Master Drainage Plan	404, water, and wastewater permit activities	WRG Design Inc.	\$ 10,000.00
7/7/2007	CFD Consultation Fee	Legal Fees & Misc. Consultants	DPFG	\$ 50,000.00
7/7/2007	CFD Application Fee - Buckeye	404, water, and wastewater permit activities	DPFG	\$ 150,000.00
3/22/2007	PUP C Master Plans	Planning, Engineering & Architectural Design	Greey/Pickett	\$ 25,000.00
1/1/2006	Conservation Planning at Festival Ranch: Comprehensive Vision	Planning, Engineering & Architectural Design	William W. Shaw/ Craig Johnson	\$ 7,500.00
12/14/2005	PUP C Preliminary Geotechnical Subsurface Exploration	Field Engineering	ALPHA Geotechnical & Materials, Inc.	\$ 7,500.00
11/30/2005	Seismic Refraction Survey	Field Engineering	Geological Consultants Inc.	\$ 5,000.00
11/1/2005	Geotechnical Subsurface Exploration - CAP Bridge	Field Engineering	ALPHA Geotechnical & Materials, Inc.	\$ 7,500.00
8/1/2005	Phase I ESA - 560 acres	404, water, and wastewater permit activities	Kleinfelder	\$ 4,100.00
7/25/2005	Section 404 Permit	Legal Fees & Misc. Consultants	Rob Anderson	\$ 150,000.00
7/1/1998	Natural and Cultural Resources Overview	Legal Fees & Misc. Consultants	SWCA, Inc. Environmental Consultants	\$ 12,500.00
7/1/1998	Habitat Evaluation and Species Survey Report	Legal Fees & Misc. Consultants	Kimley- Horn and Associates	\$ 10,000.00
			<b>TOTAL EXPENDITURES:</b>	<b>\$ 1,356,999.40</b>